

Hotels and Hotel Market Development in Sakhalin Region

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Summary

Until recent years, booking a hotel room on Sakhalin Island required two weeks or even a month notice due to the limited amount of available hotel rooms on the Island. According to official statistics, in 2004, Sakhalin region in total had 47 hotels and similar enterprises (45 in 2002 and 46 in 2003).

Currently, Yuzhno-Sakhalinsk is observing a boom in hotel construction. Some observers feel that a further increase in the amount of hotels, together with the widening of Zima Village (the compound for expat workers of oil and gas consortia) and the construction of another similar village for ExxonMobil employees, might soon lead to the oversaturation of this market. Opportunities still exist in the hotel management sector. The Regional Administration hopes to develop tourism parallel to the oil and gas shelf development. The only (but substantial) drawback for this idea at the moment is a lack of necessary infrastructure.

This report gives an overview of Yuzhno-Sakhalinsk hotels; those that can be recommended for a foreign guest are marked with a red star after the name. Current developments in this market on the Island are also described.

Sakhalin-Sapporo *

Centrally located hotel offers good level of service. Restaurant with European cuisine and a bar available.

Number of rooms – 60

Number of deluxe rooms – 8; number suites – 3

Price range – from \$159-200, breakfast included

Credit card accepted – all cards

Satellite TV- available

Gym, sauna or other facilities – N/A

Airport pickup - available by request.

181, Lenin Str.

Yuzhno-Sakhalinsk, Russia 693000

Tel +7-4242-721560

Fax +7-4242-723889



Santa-Resort *

Situated in a picturesque forest zone, hotel bus service available. 2 restaurants – European and Japanese, two bars. Sauna, gym, tennis court, gift shop available. Conference-room for 100 people (overhead, mikes,



coffee-break service by request). Right now Santa is being enlarged to accommodate more guests.

Number of rooms – 89

Two rooms for disabled; 9 mini-suites.

Price range – from 165 to 330 standard units (at the moment of this reports 1 standard unit = 33 RUR)

Credit cards accepted – AmEx, Visa, MasterCard; DinersClub; JCBCard.

Airport pickup – by preliminary request in room order.

3 Venskaya St.

Yuzhno-Sakhalinsk, Russia 693000

Tel +7-4242-462824

Fax + 7-4242-466562

<http://www.santahotel.ru/e-index1.html>

Oriental *

Number of rooms – 22

14 one-room accommodations, 8 1-bedroom suites

Price range - \$85-130

Credit cards accepted – AmEx, Visa, MasterCard,
UnionCard

Satellite TV – available

Airport pickup – can be arranged by city taxi per
additional request; 24-seat bus available at hotel.
Café, bar, billiards (billiards free of charge for the
guests). Computer with Internet connection in the lobby.

2A, Sakhalinskaya Str.

Yuzhno-Sakhalinsk, Russia 693000

Tel +7-4242-721972

Fax +7-4242-463054



Tourist

(on the picture above – next to Oriental. At the moment being renovated, not opened yet)

Date of opening not clear at the moment

Number of rooms – 86

About 15 - suites

Planned price range – about \$110, lunch included

Satellite TV, sauna, restaurant, and laundry. Business-center facility with Internet connection.

Natalya *

Number of rooms – 32
Doubles –16; singles –16
Price range - \$125-\$170, breakfast included
Credit cards accepted – Visa, Master Card
Satellite TV, laundry.

***38, Antona Bujukly Str.,
Yuzhno-Sakhalinsk, Russia 693000
Tel +7-4242-464949
Fax +7-4242-462701***



Eurasia

Number of rooms –29
Prices range - \$80-\$110
Credit cards accepted – no
Available in the room – refrigerator
Restaurant in the same building.

***54, Vokzal'naya Str.
Yuzhno-Sakhalinsk, Russia 693000
Tel +7-4242-713560
Fax +7-4242-722657***

Gagarin *

(old block – under repairs until summer 2005)

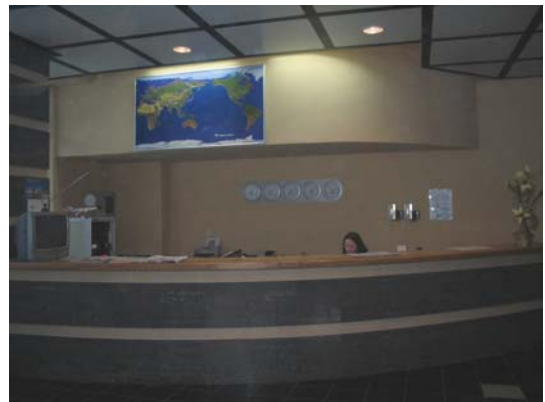
Number of rooms – (new tower) – 63

12 suites

Prices range - \$ 125 – \$215

Credit cards accepted – Visa, Master Card

Bar, restaurant , sauna, conference-room



***113, Komsomolskaya Str.
Yuzhno-Sakhalinsk, Russia 693000
Tel +7-4242-498400
Fax +7-4242-498400***

Yubileynaya *

Number of rooms – 40

14 – suites

Price range - \$120 - \$160

Credit cards accepted – Visa, Master Card (Maestro not accepted), AmEx, Diners, JCB Card.

Sauna, billiards, bar, restaurant, business center

***10. Altaiski Pereulok,
Yuzhno-Sakhalinsk, Russia 693000
Tel +7-4242-498300***

Fax +7-4242-498343

mail@hotel-yubileinaya.ru

<http://www.hotel-yubileinaya.ru/>



Rubin *

(at the moment the hotel is all leased to Exxon Neftegas)

Number of rooms – 34; 32 suites and 2 one-room
w. kitchenette

Prices range - \$195 - \$280

Credit cards accepted – Visa, Master Card

Sauna, pub, gym, laundry

85, Chekhov Str.

Yuzhno-Sakhalinsk, Russia 693000

Tel +7-4242-422212

Fax +7-4242-422810

recap@sakh.ath.cx





Strawberry Hills *

Number of rooms – 80
 15 suites and 65 standard
 Price range - 180 – 300 conventional units (=31 RUR)
 Credit cards accepted – Visa, AmEx, Master Card.
 Restaurant, bar, gym, massage room, conference room
 Satellite TV

Grushevy Sad,
 2, Solnechnogo Sveta Str.
 Yuzhno-Sakhalinsk, Russia
 Tel +7-4242-700025
 Fax +7-4242-700011; strawberryhills@zalpin.ath.cx



Yakor *



Number of rooms – 12
(the hotel takes the first floor of an office building)
7 doubles; 3 suites; 2 – single rooms
Prices range - \$90 - \$175
Credit cards accepted – No
Buffet and laundry available (no dry-clean)

***62, Amurskaya str.
Yuzhno-Sakhalinsk, Russia 693000
Tel/fax +7-4242-744093***

Lada

Number of rooms – 67
Prices range - \$90 - \$220
Credit cards accepted – Visa, Master Card
Bar, restaurant

***154, Komsomolskaya Str.
Yuzhno-Sakhalinsk, Russia 693000
Tel +7-4242-464800
Fax +7-4242-423837***



Ostrov

(situated on the first floor of a Soviet-style office building)
Number of rooms – 12;
Different type – from suites (one with Jacuzzi) to multi-rooms with common WC for several.
Price range - \$20 - \$175
Credit cards accepted – No

***31, Nevel'skogo Str.
Yuzhno-Sakhalinsk, Russia 693000
Tel/fax +7-4242-424417***

Moneron

<http://moneron.narod.ru/> (Russian only)

Toilets/shower at the end of the corridor (with the exception of several suites-type rooms)

**86, Kommunisticheski Ave.,
Yuzhno-Sakhalinsk, Russia 693000
Tel +7-4242-723453
Fax +7-4242-723454; moneron@narod.ru**

Dal'nevostochnik (Military)

Can accommodate guests in case if rooms available (assigned to the Ministry of Defense)
One to four rooms suites/ one-room do not have water supply; four-room have separate toilet and a hot-water boiler. Price range - \$15- \$30.

**179, Lenin Str.
Yuzhno-Sakhalinsk, Russia 693000
Tel. +7-4242429453**

Alfa Hotel (Korsakov) *

Hotel located in Korsakov, 30 min. drive from Yuzhno-Sakhalinsk, near the site of the future LNG plant. The hotel prefers to work on a contract basis, pre-leasing its rooms for a corporate client. Right now is looking for new contracts.

31, Krasnoflotskaya Str.
Korsakov, Sakhalin region, Russia, 694020



Recent Developments in the Hotel Market

The construction of another hotel is planned on Yemelyanov Str., near the Panorama trade center. The new hotel is supposed to follow the trade center's design. At the moment the documentation is being prepared by Sakhalin's leading design institution, Sakhalingrazhdanproject. The project envisages 50 hotel rooms, office facilities for 60 people, swimming pool (82x36 feet), cinema (200 seats), fitness center and a sauna. Construction of other facilities with multiple functions – hotel + office is a common trend (see photo on right – this building was initially constructed as a combined office/hotel facility; currently not clear how it will be utilized when the construction is complete).



In 2004, the construction of another hotel complex started on Mira Avenue, south to Tom Torgovli trading Center. The new hotel (customer for which is JSC Pilenga from Yuzhno-Sakhalinsk) named Pacific will have 7 floors and will be able to accommodate 140 guests. The construction is carried out by Korean and Chinese contractors and is planned to be finished in 1.5 years.

Press has reported that a consortium of Japanese construction companies, together with Canada's Fergusson Simek Clark and a Russian company, are planning to build a hotel in Yuzhno-Sakhalinsk as well.

Moscow-based Hermitage Hospitality is also looking at the opportunities in the Russian Far East and Sakhalin; it specializes in hotel management and international brand franchising. Hermitage Hospitality is the Master Licensee for the **Days Inn** brand of Cendant Corporation Hotel Group, the world's largest hotel franchisor with 6,478 hotels franchised worldwide. It is possible that Hermitage Hospitality will manage the project of a hotel/office facilities/shopping mall to be constructed in front of Sakhincenter on Komministicheski prospect, but the project was still in planning stage as of the writing of this report.

Contact:

Hermitage Hospitality,

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Yuzhno-Sakhalinsk, Russia 693009

Tel: +7-4242-745155

terry.sloane@hermitagehospitality.com

A four-star (as the customer for the project desires it to be) hotel Mega is under construction in the city park (phases of construction – see the pictures below). The company was initially presenting their investment project to the Regional Administration (http://www.sakhipa.ru/ru/invest/prj/html2/sh.php?id=4_2), but the finance for the project was already found. The owners would be potentially interested to consider partnership options in the form of a management contract or other spheres, related to the hotel complex.



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